

Economic Impact Statement

LSA Document #15-331

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

In 2015, the Indiana General Assembly passed House Enrolled Act (HEA) 1549 (P.L.60-2015), which became effective July 1, 2015. HEA 1549 amended [IC 26-3-7-6](#) to increase the annual licensing fee that licensed warehouses pay for each additional facility. The Indiana Grain Buyers and Warehouse Licensing Agency (IGBWLA) seeks to update its administrative code to reflect the statutory change.

Impact on Small Businesses

The following section provides responses to the following questions outlined in [IC 4-22-2.1-5](#):

1. An estimate of the number of small businesses, classified by industry sector, that will be subject to the rule.

[IC 5-28-2-6](#) defines a small business as a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

IGBWLA estimates that forty-two (42) licensed grain buyers meet the definition of a small business. Those licensees have a combined seventy-three (73) additional facilities that require them to pay the current fifty dollar (\$50) additional facility fee.

2. An estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

This rule will impose de minimis reporting, record keeping, or other administrative costs because it is current practice that all licensed grain facilities that acquire additional facilities pay this fee. This does not create a new reporting, record keeping, or administrative cost.

3. An estimate of the total annual economic impact that compliance will have on small businesses subject to the rule.

The increase in the fee to two hundred fifty dollars (\$250) will result in an economic impact of approximately \$14,600. That number is derived from the number of additional facilities in the state multiplied by the increase in the fee.

4. A statement justifying any requirement or cost that is imposed by the rule and not expressly required by law.

This rule amendment promulgates changes in [824 IAC 2-4-3](#), fees that are required by [IC 26-3-7-3](#) and [IC 26-3-7-6](#) as added by HEA 1549 (P.L.60-2015). It does not impose any requirements or costs that are not expressly required by law.

5. A regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of minimizing the economic impact of the proposed rule on small businesses:

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

IGBWLA cannot consider less stringent compliance requirements for small businesses because the fee increase is expressly required by law pursuant to HEA 1549 (P.L.60-2015).

B. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

IGBWLA did not consider less stringent schedules or deadlines for compliance because the deadline for payment of fees by licensees is established by law under [IC 26-3-7-6](#).

C. The consolidation or simplification of compliance or reporting requirements for small businesses.

Compliance requirements have not changed under this rule. The rule imposes a fee increase but the method of compliance remains the same and is required by law.

D. The establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

IGBWLA did not consider performance standards in place of operational standards imposed on these regulated entities by the rule amendment. This rule amendment promulgates changes to [824 IAC 2-4-3](#) required by law.

E. The exemption of small businesses from part or all of the requirements or costs imposed by the rule.

HEA 1549 does not provide authority to exempt licensed facilities from the fees.

